

Message Text

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72

ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10

RSC-01 OMB-01 TAR-02 SPC-03 AGR-20 AID-20 CIAE-00

COME-00 INR-10 LAB-06 NSAE-00 OIC-04 SIL-01 STR-08

TRSE-00 CIEP-02 CEA-02 SS-20 NSC-10 L-03 H-03 DRC-01

SSO-00 /215 W

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P 232050Z NOV 73

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TO SECSTATE WASHDC PRIORITY 1423

UNCLAS USUN 5053

E.O. 11652: NA

TAGS: UNGA, ECOSOC, EFIN, UNCTAD

SUBJ: 28TH GA: ITEM 51, UNCTAD DRAFT RESOLUTION 1304
ON MONETARY REFORM - REVIEW AND APPRAISAL

REFS: (A) USUN 5020

(B) STATE 226822

1. IN LIMITED DISCUSSIONS SUBJECT DRAFT RESOLUTION
IN LIGHT US POSITIONS REF B, AUSTRALIAN AND UK DELS
HAVE PREPARED MODIFIED TEXT OPERATIVE PARAS 7-11 OF
RES 1304 AS FOLLOWS:

"PARA 7. RECOGNIZES THE NEED FOR REVIEWING THE
METHODS OF OPERATION OF THE IMF, INCLUDING CREDIT
REPAYMENTS, STAND-BY AGREEMENTS, THE SYSTEM OF
COMPENSATORY FINANCING, AND THE FINANCING OF COMMODITY
BUFFER STOCKS SO AS TO ENABLE DEVELOPING COUNTRIES
TO MAKE MORE EFFECTIVE USE OF THEM.

"PARA 8. ASSERTS THE FUNDAMENTAL IMPORTANCE OF
ENSURING THAT THE REFORMED SYSTEM SHOULD NOT ONLY CREATE
CONDITIONS FAVORABLE TO THE TRANSFER OF REAL RESOURCES
TO DEVELOPING COUNTRIES, BUT SHOULD PROMOTE SUCH
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TRANSFERS.

"PARA 9. ENDORSES THE ACTION NOW BEING TAKEN TO EXAMINE THE PROPOSAL REGARDING A LINK BETWEEN SDRS AND ADDITIONAL DEVELOPMENT FINANCE, BEARING IN MIND THE OVERALL NEED TO SAFEGUARD THE AGREED FUTURE ROLE OF THE SDR AS A PRINCIPAL RESERVE ASSET IN A NEW MONETARY SYSTEM.

"PARA 10. EMPHASIZES THAT ADDITIONAL ALLOCATIONS OF SDRS SHOULD BE DETERMINED IN THE LIGHT OF THE NEED FOR ADEQUATE AND ORDERLY CREATION BY THE IMF OF LIQUIDITY TO MEET THE GLOBAL NEEDS OF WORLD TRADE.

"PARA 11. RECOMMENDS THAT THE DEVELOPING COUNTRIES SHOULD BE EXEMPTED (WHEREEVER POSSIBLE, BY ALL MEANS POSSIBLE) FROM THE IMPORT AND CAPITAL CONTROLS IMPOSED BY DEVELOPED COUNTRIES FOR THEIR BALANCE OF PAYMENTS PURPOSES."

2. COMMENT:

(A) RE PARA 7: PHRASE "REVIEWING METHODS....STAND BY AGREEMENTS" ACCEPTABLE TO UK/AUSTRALIA/ ON UNDERSTANDING THESE ITEMS CURRENTLY UNDER REVIEW IMF/C-20 AND THAT BALANCE OF PARA IS REFLECTION UNCTAD RES 84(III) LAST PARA. THIS MODIFIED PARA LIKELY ACCEPTABLE TO YUGOSLAVIANS.

(B) RE PARA 8: ACCEPTS L.1304 WITH DELETION PHRASE "ALSO CONTAIN BUILT IN MECHANISMS FOR SUCH TRANSFER". FURTHER DEBATE EXPECTED.

(C) RE PARA 9: PROPOSED LINK LANGUAGE ACCEPTABLE TO AUSTRALIA AND UK BUT WILL BE STRONGLY OPPOSED BY LDCS.

(D) RE PARA 10: CITED BY AUSTRALIAN DEL AS AN INSTANCE SKILLED UK DRAFTING BUT YUGOSLAV EXPECTED ARGUE STRONGLY FOR NEED FOR ADDITIONAL ALLOCATIONS OF SPECIAL DRAWING RIGHTS.

(E) RE PARA 11: PROBABLY ACCEPTABLE YUGOSLAV, UK, AND AUSTRALIA. MAIN DIFFERENCE WITH US TEXT APPEARS TO BE RECOMMENDS IN LIEU OF NOTES.

3. PLEASE ADVISE VIEWS AND INSTRUCTIONS PRIORITY OR UNCLASSIFIED

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SEND KNOWLEDGEABLE OFFICER NY MONDAY A.M.
BENNETT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Draft Date: 23 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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30 JUN 2005

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